

## **Credit Union Community Field of Membership Guidelines**

In accordance with KRS 290.107(2) the Office of Financial Institutions has the authority to approve bylaw amendments for a community field of membership. The field of membership shall be limited to persons who have a common bond of similar interest by living, working, worshiping, volunteering, or attending school in the community location, and desire membership in the credit union.

The Executive Director will review bylaw amendment changes for a community field of membership on a case-by-case basis. The following guidelines set forth the factors that shall be satisfactorily met by applicants prior to obtaining approval for a community field of membership. Other factors not listed below maybe considered. The Executive Director reserves the right to approve or disapprove bylaw amendments at his discretion.

### **Safety and Soundness**

Before any community field of membership bylaw amendment is granted, the Office of Financial Institutions must have satisfactory evidence that qualified management is available and willing to operate a successful credit union. The credit union's strategic plan, budget, and the most recent Report of Examination and CAMEL rating will be used for this determination. In addition, since community credit unions do not have the luxury of payroll deduction, a strong lending program shall be in place. Delinquency and charge offs shall be controlled.

### **Community Capability**

The credit union shall demonstrate the ability to serve the area desired. This will be determined by the products and services offered by the credit union. The members shall have a means to access to their funds. An analysis will be made of the number of branches, shared branches, ATM access, and electronic financial services offered by the credit union.

### **Community Need**

The credit union shall demonstrate that there is a community need. Factors considered when determining community need are the number of existing credit unions satisfactorily servicing the community and the extent to which the community is without credit union service.

### **Community Involvement**

The credit union shall demonstrate their desire to serve and improve the community by performing or sponsoring community service programs. The credit union should offer educational or training courses to members of the community.

### **Community Presence**

The credit union shall prove that it already has a presence in the area before requesting a bylaw amendment to serve a particular community area. A list of current members whose address is located within the community area should be provided.

### **Other Factors**

The Executive Director shall consider such other tangible and intangible factors that may bear on the probability of the credit union being successful as a community chartered credit union as each individual bylaw amendment request is evaluated. The credit union or Office staff may propose such factors and the Executive Director shall give them the weight that he deems appropriate, if any.